

Selling to Natural Foods Cooperatives and Grocery Chains

Key Considerations for Organic Producers

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Introduction

This report provides key considerations for producers of organic foods seeking to sell their products to natural food cooperatives and grocery chains. Cooperative Development Services, Inc. (CDS) has worked with natural foods cooperatives throughout the country at all levels of operations, including inventory and sales, for over a decade. In addition, CDS has been involved with several successful projects involving natural and organic producers over the last 15 years. This report draws on this unique perspective to present practical information to help farmers effectively develop profitable relationships with retailers.

The first section of the report begins with an overview of the market for organic products and key product categories, followed by a discussion of current and projected trends in consumer preferences.

The second section presents specific concerns for farmers and small processors entering the natural food co-op market, highlighting key criteria sought by retailers and wholesale buyers, and provides recommendations on pricing.

The addenda include contact information for brokers and distributors of natural and organic products in the Midwest.

I. Overview of Market Trends & Organic Products

Sales Trends

“Natural foods” are minimally processed and free of artificial ingredients, preservatives, and other non-naturally occurring chemicals. “Organic” is precisely defined by the USDA, and refers to a system of production. Organic methods do not use synthetic pesticides, fertilizers or genetically modified organisms. Any producer using the term organic, and selling more than \$5,000 of organic products annually, must first be certified by an independent, third-party inspector. Organic certification is not required for producers with organic sales of less than \$5,000.

The natural/organic foods category in the U.S. was a \$14 billion market in 2000, representing two percent of the overall food sales. The combined natural/organic foods category has grown significantly since 1990, increasing fourfold in the decade after and averaging 14% annual growth (compared to historic growth rates of 4% in the overall food industry). Organic foods have been the key driver of this growth, increasing an average of 23% per year since 1990, compared to a 9% annual growth for natural foods. Organic represented 60% of the natural/organic category in 2000; up from 24% in 1990.

Sales for the natural/organic foods category is projected to continue growing eight percent per year over the next eight years, with organic foods increasing an average 13% per year. The natural foods segment of this category is projected to decline five percent per year as a result of many natural food producers and processors converting to organic. Sales for organic foods are expected to reach \$20 billion by 2005, accounting for four percent of the total U.S. food market.

Key Organic Product Categories

Produce

Sales of organic fresh fruits and vegetables accounted for 40% of the total organic foods category in 2000, and are projected to increase 16% per year over the next four years. Organic produce is sold through mass markets (46% of total organic produce), natural food stores (43%) and through direct or other means (11%).

Beverages

Sales of organic dairy alternatives (including soy, rice, and almond milk) were up 25%, and fresh juices were up 24%, driving growth in the organic beverage category to 20% in 2000. Organic beverages accounted for 17% of the total organic category, and are projected to increase at 21% annually over the next four years. Organic beverages are sold predominantly in natural food stores (65% of total organic beverages) compared to mass markets (31% of total organic beverages).

Breads and Grains

Sales of breads and grains are growing nearly 21% annually, representing a 15% share of the total organic foods category. Both baked goods and dry breakfast foods are contributing to this growth: increasing 26% and 22% respectively in 2000 and projected to sustain that rate of growth over the next four years. Organic breads and grains are sold in natural food stores (64%

of total organic breads and grains) and in a growing number of mass market stores (33% of total organic breads and grains).

Packaged/Prepared Foods

Sales of organic packaged/prepared foods are increasing at an annual rate of 22%, representing 12% of the total organic food category. Sales of organic baby foods and organic frozen foods are up 26% and 28% respectively, leading the growth in this category. Organic baby foods sales are sold both in natural food stores (55% of total organic baby foods) and in mass market stores (45%). Organic frozen foods are sold predominantly in natural food stores (71% of total organic frozen prepared foods) compared to mass market (28%).

Channels of Distribution

Nearly all revenues in the combined natural/organic category are generated through natural food/specialty retail stores (70%) or mass market retail stores (29%). The remaining one percent of revenues is generated through other channels such as mail order, multi-level, farmers markets, and the internet.

In the organic category, over half (55%) of all sales are generated through natural food/specialty retail stores (including Whole Foods and Wild Oats). Thirty-nine percent of all sales are generated through mass-market retail stores. The remaining six percent of all organic sales are generated through direct channels (farmers markets, bakeries, etc.).

Growth rates in the natural/organic food category in all three channels—natural food/specialty retail, mass market, direct—remain high, averaging 19% in 2000. Whole Foods Market and Wild Oats account for a growing share of the natural food/specialty retail channel. Combined market share of these two chains within the total natural food/specialty retail channel increased to 18%, or \$15.3 billion, in 2000. Together, these two chains have dominated store acquisitions in this channel, though the channel still remains highly fragmented.

Although organic foods were slow to be accepted by the mass-market channel, sales in this channel have increased significantly over the past two years, up 18% in 1999 and 19% in 2000. Sales in this channel will continue to grow as more consumers look for organic foods in their local super market. In a 2001 market research report by the Hartman Group, 63% of consumers said they shop for organic foods in grocery stores, 33% said they shop for organic products at farmers markets, 29% shop for organic products at natural food stores, and 13% shop for organic products at mass discount stores. Mass market retailers will continue to expand their organic product offerings to meet growing consumer demand for organic products. Retailers are experimenting with several different store formats to promote organic products. Some retailers are beginning to integrate organic products alongside their conventional products, while others are creating a store within a store format.

Reasons for Increase in Organic Category

One of the primary reasons for the decline in the natural foods category is that many natural foods producers and processors are converting to organic, where the profit and growth potential are much higher.

With the growth in the organic category, retailers are also responding to consumer demand and replacing natural foods with organic foods whenever possible. The natural foods category is therefore projected to decline over the next five years at an average rate of five percent. There are several reasons for the growth in the organic food category:

Consumer Preferences

Changes in consumer preferences are the driving force behind the growth in the organic category (see below). With an aging consumer population much more interested in health and lifestyle issues, there is large and growing demand for healthy food that tastes good.

Food Safety

With the highly publicized food scares over the past several years, there is a heightened sense of awareness among consumers about how their food is produced and/or processed. With Foot and Mouth disease, Chronic Wasting Disease, and E. coli outbreaks, many consumers are looking for ways to be assured that their food is produced in a safe and healthy manner.

Growth in the “SuperNatural” Food Stores

Whole Foods Market and Wild Oats Market, two national natural food store chains that represent 18% of the natural & organic market, have grown significantly over the past several years. Whole Foods Market, with 120 stores nationally, has experienced double-digit growth over the past several years, increasing 16% in 1999 and 16% in 2000. Wild Oats, with 119 stores in 23 states and Canada grew 36% and 18% during those same years. The significant growth of these two chains has helped make organic products more available to consumers across the country and increased awareness and demand of organic foods.

Government Regulation

In September 1990, the Organic Foods Production Act (OFPA) was passed by Congress in order to establish national standards governing the marketing of certain agricultural products as organically produced products, assuring consumers that organically produced products met a consistent standard, and facilitating commerce in organically produced food. In December 2000, the USDA issued its final organic standards under the OFPA Act of 1990; and the standards were implemented on October 22, 2002.

Increased Supply/Lower Prices

As a result of this legislation and the perceived stability the law brings to defining organic, more and more companies are showing willingness to invest in the organic foods category, increasing the supply of organic products to consumers around the country, and ultimately lowering prices consumers have to pay. The lower prices for organic products will address one of the main reasons consumers never try organic foods—too high of price at retail.

Consumer Trends: What Are They Looking For?

There are many reasons contributing to increased consumer demand for organic foods:

Demographics/Personal Health

With 76 million baby boomers comprising 33% of U.S. population entering their middle age to retirement years, there is growing consumer concern for health, disease prevention and

longevity. Many of these consumers are beginning to make connections between good health and the food they eat, leading them to make healthier food choices.

Consumers with families are also concerned about their children's personal health and nutrition and believe organic foods will contribute to their family's overall health and well being. Consumers are also concerned about exposure to toxins and are looking for ways to reduce that exposure through the foods they eat. Overall, 66% of consumers who purchase organic products are motivated by nutrition and health reasons.

Taste

Over one-third of consumers (38%) who purchase organic foods are motivated by taste. These consumers can taste the difference and prefer organically produced foods.

Food Safety

Nearly one-third of consumers who purchase organic products (30%) are concerned about food safety and perceive organic foods as safer to eat because these foods are raised without the use of synthetic pesticides and fertilizers or GMO's. And, in the case of meats, consumers are looking for assurances that the meat they purchase is safe to eat, and the organic certification provides them with that assurance.

Environmental Health

A quarter of all consumers (26%) also believe organic foods are better for the environment because the products are grown without using synthetic pesticides or fertilizers or GMO's.

Premium Product

Some consumers (16%) with discretionary income who are looking for upscale products to differentiate themselves from the mainstream public, view organic foods as "gourmet" or "premium".

Summary

There will always be uncertainties and surprises in predicting consumer food preferences. However, it is abundantly clear that a substantial awakening of consumers toward organic purchases has occurred in recent years. Across all product categories, organic foods are growing at a rate that far outpaces the growth of conventional or "natural" foods. If the recent past is any indication of the near future, organic foods will become an increasingly important facet of the mainstream consumer's diet in the coming years. Large-scale, mainstream retailers and manufacturers both have only begun to respond to this influx of consumer interest, while smaller retailers and manufacturers continue to shift their product lines more heavily toward organics. In light of this, there appears to be a favorable climate in the marketplace—both nationally and on local levels—for producers to take advantage of this cultural shift in favor of organics. Section II of this report details issues relevant for producers seeking to tap into retail markets.

II. Selling to Natural Food Cooperatives and Grocery Chains

The Organic Market

Organic food products continue to experience double-digit growth, over 17% in 2001. This is almost double the percent of growth of other natural foods. As illustrated in Section I, produce leads the way in percent of growth but all categories of organic food are experiencing significant sales increases.

Produce

The move to organic products continues to dominate cooperative markets and make significant inroads into mainstream grocery stores. Sales growth of these products in natural foods cooperatives was over 50% in 2001, increasing to \$152 million from \$101 million in 2000. In addition, square footage of produce departments is growing disproportionately faster than other store departments. Convenience items (bagged salads and precut vegetables) have been one of the drivers of growth in this department. More specialty items are being sold, coming close to matching the number of conventional specialty items. Many cooperatives are selling 100% organic produce while others offer organic produce predominantly, filling in with conventional produce when there is no supply of organic or organic product is price prohibitive. Conventional stores are increasing their offering of these products as well, giving more rack space to the organic niche.

Federal legislation has been instituted concerning certification of organic products to ensure the product's integrity for consumers. To meet these guidelines, producers will be required to document more thoroughly their production processes. The guidelines are also likely to increase produce sales as consumers become more trusting in the integrity of the products.

Cooperatives typically support local organic products and sustainable agriculture.

- It is necessary for producers to meet the federal standards and provide documentation to ensure that the cooperative can easily access relevant information.

Meat

Organic or naturally raised meat is a focus of cooperatives that have meat departments. Organic meat products experienced a 25% sales increase in cooperative markets in 2001. Organic meat products are sold both fresh and frozen and tend to bring a premium price. Some cooperatives do not currently offer this category, but many of them are exploring offering this category. Conventional stores are slower to add organic meat products but free-range poultry sales are growing in these stores.

Poultry is the largest of the organic meat categories. Many stores that do not carry beef will carry a few poultry products.

- Successful organic/naturally raised meat sales are dependent on strong point of purchase information and retail packaging. White freezer wrap paper is no longer appropriate for most stores.

Refrigerated (dairy, eggs, etc.)

Organic refrigerated products have been a growing category dominated by two manufacturers (Organic Valley and Horizon). Sales growth of this category was close to 30% in natural foods cooperatives in 2001.

Many cooperatives seek out local suppliers of organic eggs and milk. There is a market for organic milk in glass returnable bottles as this is seen as more environmentally friendly (reducing the use of plastic) and a consumer perception that plastic may leech into the products they hold.

➤ Due to the nature of the perishable category it is necessary to offer frequent deliveries.

Packaged Goods

The proliferation of these products continues. Most new products developed are copies of existing products.

- Due to the number of packaged products being introduced into the marketplace annually, there needs to be a significant distinction in a product to become successful.
- A strong price point (retail price) and vendor support (regular deals, demo's and information) are crucial for this category.

Distribution Chain for Natural/Organic Products

Pathways from Producer to Consumer

There are four primary approaches to move product from producer to consumer. Some advantages and disadvantages of each approach are listed below:

1. Direct to consumer sale.

This approach involves direct contact at the point of purchase between the producer and consumer, i.e. through farmers markets and Community Supported Agriculture subscriptions. This approach is appropriate for the sale of produce, refrigerated and meat products.

Advantages:

- The producer receives all income derived from product sale.
- The payment to the producer is immediate.
- The producer has direct contact with consumer and may learn about how the product could be improved to better meet the consumer's needs.

Disadvantages:

- The producer, typically, has a very limited distribution channel.
- The space needed to sell the products must be procured and paid for by producer.
- All of the marketing efforts, to make the products visible/desirable to the consumer, must be made by and paid for by producer.
- Insurance for product liability may be more expensive.
- The producer must absorb all loss associated with operation.

Other Considerations:

- Local, state and federal laws must be understood and complied with by the producer.
- Consumer confidence may need to be built.

2. Sale to wholesale distributor.

In this approach, products move from producer to wholesaler, wholesaler to retailer, and retailer to consumer. This approach is most appropriate for sale of packaged, refrigerated and meat products. Some organic produce wholesalers are purchasing from local growers but this is not currently widespread.

Advantages:

- This offers the greatest potential distribution of product, both in geography and sales volume.
- Wholesaler may be able to pick-up product on their trucks.

Disadvantages:

- The producer will realize reduced margins as others in the “distribution chain” must generate income from sale of the products.
- The products must meet certain volume criteria set up by wholesaler or they will be discontinued.
- There may be a slotting fee for each SKU.
- The payment to the producer will be slower, potentially creating cash flow issues.
- Small producers may have difficulty accessing the correct person in the wholesale organization to present their products to.
- Many other hands will touch the product and the initial integrity may be compromised.
- Wholesalers will demand a consistent supply and this may be problematic for smaller producers.

3. Sale to chain retailer distribution center.

With this approach, products move from the producer to a distribution center, distribution center to retailer, and retailer to consumer. This system is becoming more prevalent. This approach is most appropriate for sale of packaged, refrigerated and meat products.

Advantages:

- This approach gives the producer the ability to introduce their products into a number of stores quickly.

Disadvantages:

- It may be difficult for a small producer to gain access to a retailer’s purchaser.
- Products usually need to be approved at a distribution center’s corporate headquarters.
- There may be a slotting fee for each SKU and this could be very expensive.
- The retailer may ask for a commitment from the producer to merchandise the product.
- Product demo’s and samplings will need to be made available to all stores in the chain.
- The retailer may assess penalties for producer mistakes (invoice, delivery, product identification).

4. Sale to retailer.

In this approach, the producer sells directly to a retailer, who then sells to the consumer. This approach is appropriate for sale of all types of products.

Advantages:

- Product margin needs to produce profit for retailer but not distributor, potentially allowing for lower prices to consumer and/or increased profit for producer.
- Easier to talk with retail buyers than on distributor level.
- Many retailers are sensitive to small producer cash flow issues and may pay C.O.D. or work to accommodate producer cash needs.

Disadvantages:

- Some retailers are hesitant to take on small producers as this increases their workload.
- The producer may need to deliver their products to a number of locations.
- The producer must work with the retailer to keep retailer inventory low but not create out-of-stocks on the shelf.

In addition to these four primary channels, there is a growing market for fresh organic produce to upscale restaurants. These sales bring a higher margin than selling to a wholesale or retail outlet.

Special Concerns

Whatever avenue is taken in sales, several considerations must be taken into account in the preparation of products.

- Product should be in standard weight cases or counts.
- Organic certification documents need to be brought to the purchaser at your first meeting.
- All methods of sale will require liability insurance. For sale to retailers and wholesalers you may be required to present your insurance policy in order to get your product into the facility.
- Product should be clean. Do not expect the stores to clean your product (especially produce).
- Be prepared to forecast the amount of product you will have for sale at least a month in advance (especially produce).

Roles of Brokers, Distributors/Wholesalers and Retail Buyers

Brokers usually represent a number of producer/manufacturers. They sell products to wholesalers and retailers. They receive a fee, typically between 3%-7% (from the manufacturer) of all sales to the wholesaler. Brokers need to be very knowledgeable about your product (value, pricing, consumer desire, etc.).

Brokers representing a number of manufacturers have limited time when they meet with wholesale and retail purchasers. It is important to have an agreement with the broker describing how your products will be presented to the wholesaler and retailer.

When using a broker ask them what you need to do to increase sales of your products. They visit many stores and should have strong knowledge about what works and what doesn't with products being introduced into the market place.

It may be advantageous to work with a broker that has fewer major lines to promote because the broker may be able to focus more strongly on your products.

The **wholesaler** purchases products from many manufacturers/producers and sells them to retail stores. A wholesaler covers specific geographic areas (unless they are a mail order wholesaler, in which case they are not limited to a geographic region).

The wholesaler employs purchasers who are responsible for bringing in new products. A manufacturer/grower wanting to get their product into a wholesaler typically sets up a meeting with a purchaser or purchasing manager and presents their products at the meeting.

The **retail buyer** typically represents one store or a chain of stores. They purchase products from wholesalers and may also purchase from individual producers (some retail buyers will not work with individuals due to the increased workload it creates).

Retail buyers are more likely to work with an individual producer if they know the producer is organized, easy to contact (a fax machine and voice mail is essential) and responsive to the buyers concerns.

Please see addenda for lists of brokers and distributors who support or sell organic products.

What Do Wholesale Buyers/Chain Retailers Look For?

Organic produce is being introduced into a substantial number of chain retailers as well as wholesale buyers.

Types of Products

Wholesalers and chain retailers are looking for products that contain organic ingredients but have a similar look and taste to conventional products.

Attributes of Products

Products should have clean ingredients with no fillers, preservatives, artificial colors or artificial flavors. The packaging should be attractive to draw the consumer's eye to the product. Code dating information and shelf life information is needed prior to entry into the wholesaler or retailer.

A reasonable (determined by purchaser) shelf life is necessary to maintain the integrity of the product and reduce the need for credits. Also, offering a product with an appeal that separates it from the other products in its category is a big advantage.

Criteria for Entry

Products must meet federal and state guidelines for nutritional labeling. All products must have a bar code on the package to enable the retailer to scan the product at the register. If the products are scanned at delivery a bar code on the case may be required. A strong price point, one that is attractive to the consumer, is also a significant advantage.

The ability to offer a continuous supply and frequent delivery of the products (if they are seasonal then throughout the season) is necessary for the purchaser to consider the products. Additionally, proof of liability insurance (a certificate) is necessary to obtain product entry. Most purchasers will also ask for a 100% guarantee of products, meaning if they do not sell the producer will give credit and return to pick unsold products up.

Pricing

It is important to determine what your approach to the market is: quality, value, low price, etc. This decision will help determine how to price your products and where to position your product in its category.

Wholesalers typically work with a 15%-25% margin on their products and retailers use a 22%-40% margin on their products (depending on the category). This may translate to a suggested retail price (SRP) of more than twice the amount the producer receives. Awareness of what the SRP will be is important when making pricing decisions to avoid pricing your product out of the market or losing potential profit. Be aware of typical retail prices of other products in your product's category. You cannot be far out of line compared to other products if the purchaser is going to consider your product unless your product has an obvious qualitative difference. Talk with the purchaser to understand their preferred pricing approach. Work with them to make your pricing approach easy to administer.

Determine your preferred annual pricing strategy. Be prepared to explain your strategy to the purchaser. A few strategies to consider:

- Regular every day price with special pricing (10%-25% off) for one month, two to four times per year. This ensures your product will be on special at the retail level regularly.
- Tiered pricing adjusted for volume purchased. This may be calculated by annual purchases or amount of each purchase order. The goal is to stimulate higher purchases by offering a discount incentive.
- Regular every day pricing with special pricing one month per year. This strategy may work well for products that are less competitive.

Determine a market entry pricing strategy that you will present to the purchaser:

- An aggressive discount structure for one to two months is usually necessary for packaged products. The more aggressive the discount the greater opportunity to grab the attention of the purchaser and of the consumer. A minimum of 25%-50% discount is not unusual for market entry.
- Some retailers demand free fill from the manufacturer to get a new product onto their shelves.
- Be aware that you may be asked for a slotting fee for each product you want to introduce into the wholesale and/or retail outlet.

Product Support: Demos, ads, etc.

A strategy for product support should be part of the presentation to purchasers. Offering an entry level deep discount of 25% or more off the regular price and volume purchase discounts is expected by purchasers.

Product demonstrations are one of the best ways to support products in the retail stores. There are three approaches that stores generally utilize:

- Stores that have their own demo personnel and need only financial support (pay for their employee's time and provide product).
- Stores that desire someone from the demo product's company to do the demo. They want the demo to be staffed by people knowledgeable about the product.
- Stores that hire someone to do the demo but require financial support.

It is important for someone with a strong knowledge of the products to conduct the product demonstrations. This is an excellent marketing opportunity and should be used to its fullest advantage.

Selling Directly to Local Food Co-ops

Types of Products

As with retail chains and wholesalers, co-ops look for organic take-offs on conventional products and organic produce, which for many co-ops is the only type of produce they sell.

Support of local growers of natural and organic meat is typical of most co-ops, however a number co-ops do not carry meat products (this is changing as consumer demands are impacting the product policies of co-ops).

Locally produced cheeses, both organic and/or rBGH free, are sought after products. Artisan cheeses, especially goat cheese, are desired in co-ops in more urban settings.

Products that meet consumer special dietary needs (wheat free, dairy free, fat free, etc.) are defining products for the co-ops.

Attributes of Products/Manufacturers

Every co-op has product standards, and these vary from co-op to co-op. It is important to find out what these standards are and to meet or exceed them. A good shelf life is also desirable.

Locally produced products that have a connection to the community are desired by co-ops. Many stores reduce their margins on locally produced products and/or highlight these products on their shelves. Products for which the manufacturer/producer employs good labor and environmentally sound practices also provide excellent opportunity for entry into a co-op.

Products produced by a cooperative, whether local or international, are typically supported by cooperatives.

As with any product, attractive packaging that draws the consumer to the product is sought by purchasers.

Criteria for Entry:

Having a bar code on package makes a product more accessible to more cooperatives. Many co-ops do not require this but as they upgrade their register systems it is becoming more

commonplace. Liability insurance certificates and code dating and shelf life information are also asked for by many co-ops.

Nutritional information (labeling) is also a focus of many co-ops. Additional information such as Kosher certification, type of feed consumed by animals for meat/dairy products, company donation policy, etc. (anything that increases the likelihood of making a strong presentation to the buyer) is also advantageous.

Offering a good price point, continuous supply and frequent deliveries are criteria co-ops consider when making product decisions.

Special Note

Many cooperatives present a unique opportunity for a producer to know what is expected of them. The producer can volunteer at the cooperative s/he would like to do business with and gain first hand knowledge of the issues around product supply. This also enables the producer to establish a relationship with the buyer prior to entering into a contractual agreement.

Sources

Cooperative Grocer Magazine

The Hartman Group. *Healthy Living: Organic & Natural Products*, Spring 2001.

The Natural Foods Merchandiser, June 2002

Natural Specialty Brokerage

Nutrition Business Journal's *Organic Foods Report*, 2001.

USDA: *Organic Foods Product Act of 1990*. USDA issued final organic standards in December of 2000 with standards implemented October 22, 2002.

Brokers for Natural and Organic Products in the Midwest

Advanced ROI Sales & Marketing Inc., 515 E. Golf Rd., Arlington Heights, IL 60005, 847.593.5990, Fax 847.758.9708, e-mail advanced1@aol.com, John Hides, Pres.

Agri Trading Corp., 9531 W. 78th St., Ste. 400, Eden Prairie, MN 55344, 800.328.5188, Fax 952.942.9649, URL www.grainmillers.com, e-mail cullenh@agritrading.corp.com

Dynamic Presence Inc., 921 N. Plum Grove Rd., Schaumburg, IL 60173, 847.240.2827, Fax 847.240.2863, e-mail ctzumas@pamidpi.com, Christine Tzumas, VP; full line personal care; full line bulk; full line grocery; full line herb/medicinal products; full line organic; full line refrigerated/ frozen; Midwest/East/Central.

Hayes Inc., 6128 Arctic Way, Edina, MN 55436, 952.935.3028, e-mail hayesnassoc@earthlink.net, Joe Hayes, Sales; full line bulk; full line grocery; full line nonfoods; full line organic; full line refrigerated/frozen; full line vitamin/supplements products.

Natural Broker Inc./Choice Marketing, 3933 N. Hoyne Ave., Chicago, IL 60618, 800.929.2145, 773.868.3230, Fax 773.525.4121, e-mail prglidden@aol.com, Prem Glidden, VP; full line grocery; full line vitamin/supplements products; full line personal care; full line refrigerated/frozen; full line herb/medicinal products; full line bulk; Northeast/Midwest/East/South/Central/Pacific.

Retail Results Inc., 401 E. Prospect Ave., Ste. 101, Mt. Prospect, IL 60056-3360, 847.788.0673, Fax 847.788.0768, e-mail tcmunson@msn.com, Thomas Munson, Pres.; full line grocery; full line herb/medicinal products; organic grocery; full line nonfoods; full line personal care; full line vitamin/supplements products.

Ritt-Beyer & Weir Inc., 9900 S. Franklin Dr., Franklin, WI 58132, 414.421.9505, Fax 414.421.6484, Richard Starcevic, Dir.; full line grocery; full line herb/medicinal products; full line nonfoods; full line organic; full line refrigerated/ frozen; full line vitamin/supplements products.

Distributors of Natural and Organic Products in the Midwest

Blooming Prairie Cooperative Warehouse, 2340 Heinz Rd., Iowa City, IA 52240, 319.337.6448, Fax 319.337.4592, URL www.bpco-op.com, e-mail sfutrell@bpco-op.com, Susan Futrell, Dir. Sales & Mktg.; full line grocery; full line vitamin/supplements products; full line refrigerated/frozen; full line organic; full line medicinal herbs; full line bulk; Midwest/Central.

CTM Distributors, 1111 N. Main St., Lombard, IL 60148, 630.792.9244, Fax 630.792.9058, e-mail ctmdist@aol.com; soy products.

Frontier Natural Products Co-op, 2990 Wilderness Blvd., Ste. 200, Boulder, CO 80301, 319.227.7996, Fax 319.227.7966, URL www.frontiercoop.com, Steve Hughes, CEO; essential oils/fragrances; tea; cocoa /grain beverages; deodorant; dental care; encapsulated/tableted herbs; organic bulk; organic herbs/medicinal.

Health Food Distributors Inc., 1893 Northwood Dr., Troy, MI 48084, 248.362.4545, Fax 248.362.0931, Jacquelin Stauch, VP; full line personal care; books/ magazines; full line grocery; full line herbs/medicinals; full line vitamin/supplements products; entire U.S.

Inca Organics, PO Box 618154, Chicago, IL 60661, 312.575.9880, Fax 312.575.9881, URL www.incaorganics.com, e-mail incaorganics@aol.com, Marjorie Leventry, Pres.; bulk grains; organic bulk; wheat/yeast-free products; miscellaneous bulk ingredients/raw materials; specialty/gourmet products.

Tree of Life Midwest, 225 Daniels Way, Bloomington, IN 47404, 812.333.1511, Fax 800.603.1881, URL www.treeoflife.com, Vickie Rogers; full line herbs/medicinals; full line vitamin/supplements; full line personal care; full line organic; full line grocery; full line refrigerated/frozen; Midwest/Central.

Trudeau Distributing, 25 W. Cliff Rd. #115, Burnsville, MN 55337, 952.882.8295, Mike Reineck, VP Mktg.; meat substitutes; soy products; organic dairy; organic poultry/meats; specialty/gourmet products; full line refrigerated/frozen; Midwest/Central.